

CLIENT TRAINING

*Total and Permanent
Disability*

3-30-17

Total and Permanent Disability

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Total and Permanent Disability

1.0 Total and Permanent Disability Assignments

In the event that a borrower is unable to pay back their Perkins loan due to a total and permanent disability (TPD), that borrower may apply for a discharge of their loan through the Department of Education. Each college and university must instruct the borrower to contact the Department to notify them of the borrower's intent to apply for a TPD discharge. The Department will then provide the borrower with the necessary information to apply for the discharge. The Department will also identify all FSA loans held by the borrower and notify each loan holder of the borrower's intent to apply.

1.1 Designating Your Contact

Nelnet is the Department of Education's Total and Permanent Disability servicer. Nelnet processes all applications and notifies the lender of the status of the application. Each client is responsible for designating a contact for the Total and Permanent Disability Discharge process. As part of the Nelnet process, schools must log into the NSLDS Professional Access Website and designate their contact for receipt of the TPD Loan Holder Notification (LHN) file. The contact can be someone at the school if the school prefers to handle this on their own, or Heartland ECSI. If Heartland ECSI is designated as the contact, the client must provide the following information on the NSLDS Professional Access Website:

*Contact First Name: **Jake** | Last Name: **Koeppe** | Title: **Processing Supervisor** | Phone: **855-800-6558 Ext. 6071** | Fax: **844-365-8099** | Email: tpd@ecsi.net | URL: **Your school's URL** | Address: **Your school's address** | City: **Your school's city** | State: **Your school's state** | Zip Code: **Your school's zip code***

Note: Processing and handling of the TPD LHN file is not an additional service for clients at this time. Clients may choose to handle this process internally or designate Heartland ECSI to handle the process on their behalf.

Total and Permanent Disability

1.2 Borrower Application

Borrower's looking to apply for TPD discharge must submit to the Department a TPD discharge application certified by a physician who is a doctor of medicine or osteopathy legally authorized to practice in a state. By signing the TPD discharge application, the physician certifies that the borrower is totally and permanently disabled, as defined by the Perkins Loan Program regulations (See **Note** below). Borrowers are able to obtain the TPD Discharge Application online directly at <https://www.disabilitydischarge.com/Forms>. Heartland ECSI has also provided borrowers with convenient access to the Federal Student Aid website, <https://www.disabilitydischarge.com>, under the Documents section the Heartland ECSI website.

<p>Total and Permanent Disability Discharge Under certain conditions, a Perkins loan can be discharged based on a total and permanent disability.</p>	
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All disability discharge assignments/referrals must be sent to Nelnet Total and Permanent Disability Servicer at:

TPD Servicing
PO Box 87130
Lincoln, NE 68501

Borrowers may also contact Nelnet by phone during normal business hours Monday through Friday from 8:00am to 8:00pm ET at 1-888-303-7818

Note: Total and permanent disability is defined as

The condition of an individual who—

- 1) Is unable to engage in any substantial gainful activity* by reason of any medically determinable physical or mental impairment that
 - a) Can be expected to result in death
 - b) Has lasted for a continuous period of not less than 60 months
 - c) Can be expected to last for a continuous period of not less than 60 months
- 2) Has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability. 34 CFR 674.51(aa)

* Substantial gainful activity is defined as "a level of work performed for pay or profit that involves doing significant physical or mental activities, or a combination of both." 34 CFR 674.51

1.3 Nelnet Notification Files

When the Department receives communication from a borrower of their intent to apply for a TPD discharge, the Department directs all loan holders of those loans to suspend collection activity for a period of 120 days. This communication is provided to the designated client contact (Heartland ECSI or a representative at the school) by Nelnet through the TPD LHN.

The LHN is typically an excel spreadsheet containing the borrower's information and details about the status of the application for the borrower. The file is sent as a secure message from Nelnet that requires a password in order to access. The file can contain any number of status codes dependent on the status of the borrower's application with Nelnet. A Disability Pending special code needs to be added to each of the borrower's loans in SAL to ensure that accurate information is sent to NSLDS and to each credit bureau by HECSI. An example of a TPD LHN is listed below.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Date Notified	SSN	First Name	Last Name	DOB	GA Code	OPEID	Reason Code	Suspension Start Date	Suspension End Date	TPD Type	TPD Date	Date Approved	Date Rejected	Reject Reason
2	20170306	800000643	Michael	Lynch	19840820	N/A	XXXXX	120SUSP	20170303	20170630					

Note: A TPD Loan Holder Notification File Layout is provided by Nelnet with each TPD LHN file sent to a client/HECSI. This PDF document can be used to identify each value and business rule associated with each column in the TPD LHN file spreadsheet.

Total and Permanent Disability

The client or HECSI reviews the loan notification file to determine the next step of the TPD discharge process based on the status code contained in the TPD LHN. Those status codes include:

Total and Permanent Disability Loan Holder Notification File	
Code	Definition
120SUSP	The borrower has entered the application process. User to post a 120 Disability Debtor. Billing is suspended.
INDEFSUSP	NelNet has received a completed application and is reviewing it. SAL user to post a Disability Debtor within 15 days of receipt of loan notification file for 12 months. SAL will automatically renew it for three years.
APPAPPR	The application has been approved. A Disability Cancellation must be processed within 15 days of receipt of loan notification file. SAL user to post a Disability Cancellation to discharge the loan. Total and Permanent Disability Discharge can be one of two types: STD – Standard medical disability has been approved. A cancellation should be processed. Form 1845 is required. VET - Veteran’s disability has been approved. A cancellation should be processed. Form 1845 is not required.
APPREJ	The application has been rejected. SAL user to manually end the Disability Debtor by changing the end date of the 120 Day Suspension or the Indefinite Suspension. The borrower will be notified automatically via email or regular mail.
DISCRG	Nelnet has discharged the loan. A memo must be added to SAL to indicate the discharge has been completed.

Once the application has been approved, the borrower enters a three-year long monitoring process. During that monitoring, if it is determined that the borrower is no longer permanently and completely disabled, the loan may be restored and billing will resume. If HECSI is not designated as the recipient of the TPD LHN file for a school, the school is required to keep HECSI informed of discharge information.

Total and Permanent Disability

1.4 Pending Disability Special Code

The Pending Disability special code needs to be added to each borrower's loan in SAL on the Primary Window to indicate that the borrower has applied for a TPD discharge. When HECSI or the client receives the TPD LHN from Nelnet, the user must access the borrower's loan in SAL and add the special code.

Note: If the borrower's loan is coded with a 3rd party collection agency, remove the loan from collections and notify the agency of the borrower's TPD discharge application.

Adding a Disability Pending Special Code

Step 1: From the Primary Window, locate the **Special Code** line in the **Loan Info** box and right click the **Special Code** field for options.

PRIMARY WINDOW A0 S: TEST UNIVERSITY DAVE MCDONALD DM 3/9/2017 FULL SERVICE

File Find Account Functions General Functions Printing Help

Search Adv Name Cash Collection Adjust Def Canc History Memo Forms Utility Run Optional Help

SS# 800 00 0643 Name MICHAEL J LYNCH

PER24A
1 C

Student [1] Domestic Good 04/03/2014
8697 MONTOUR RUN
CORAPOLIS, PA 15108
Ph Home (412)555-8697 RFlag 00 Status G

Loan Info Perkins-N 07/1993 To Current

3-Repayment	Separated	08/01/2013
Plan	1	Interest Begin 05/01/2014
Exit	W	Principal Begin 06/01/2014
Special Code		
Dave McDonald	04	02/19/2015
Current-Good Status	11	07/31/2014
Term	91	Last Due Date 12/01/2022
Hold		Interest Rate .05000 N
Stop	Y	Cycle 06 E-Note E
Frequency	N	Fixed Payment 40.00

Last Transaction: PAYMNT

Dep Amt	40.00	Date	08/05/2014
Amt	40.00	Ck-No	123
Def/Canc	ED FORB-B	To	10/2016
Resched To		Amt	

Dues		
Current	27.85	
15 Past	27.85	
45 Past	27.85	
75 Past	27.85	
105 Past	27.85	
105+Past		
Int Due	12.15	
Interest Past	194.40	
Late Fee	7.00	
Agency		
Legal		
NSF		
Letter		
Cred-Bur		
Other 1		
Phone		
Inhouse		
Cohort Month Del	4	4
Total	352.80	

Paids		This Year Cohort
Amount		3,000.00
Prin Paid		82.84-
Prin Canc		
Balance		2,917.16
Payoff		3,130.71
Suspense		
Int Paid		37.16-
Int Canc		
Late Fee		
Agency		
Legal		
NSF		
Letter		
Cred-Bur		
Other 1		
Phone		
Inhouse		
Next Due		03/10/2017
1 Mon Int		12.15

Clear All Dues Undo Changes Apply Changes Release

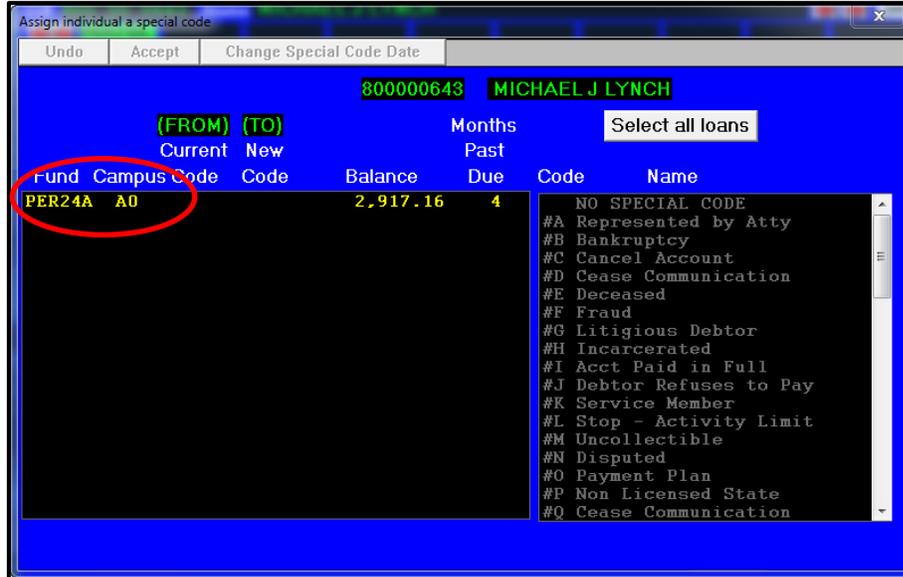
Email Bad MICHAELLYNCH@ECSI.NET Scan PW SID 00000643

Step 2: Select the option for **Special Codes**.



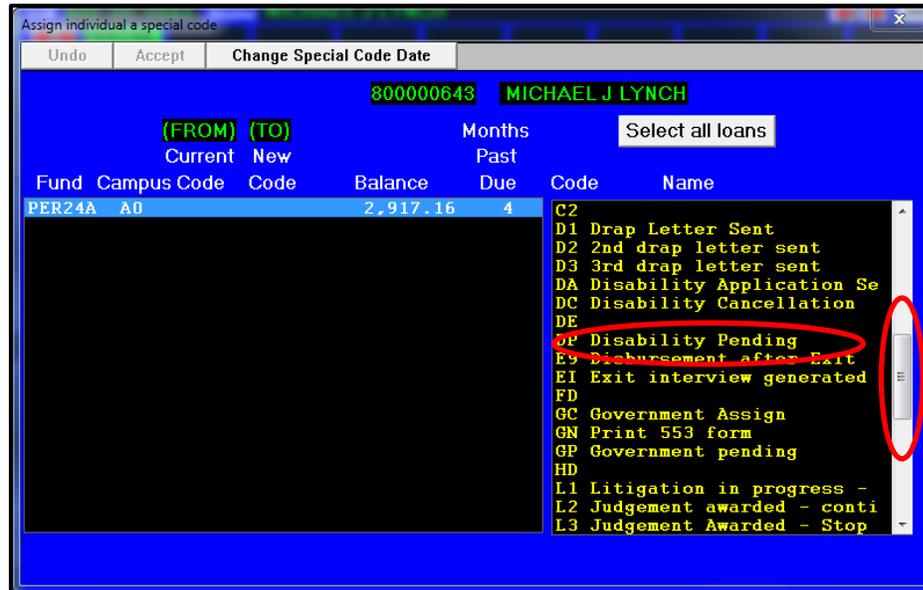
Total and Permanent Disability

Step 3: The **Assign individual a special code** window appears. Select the appropriate loan on the left side of the screen.

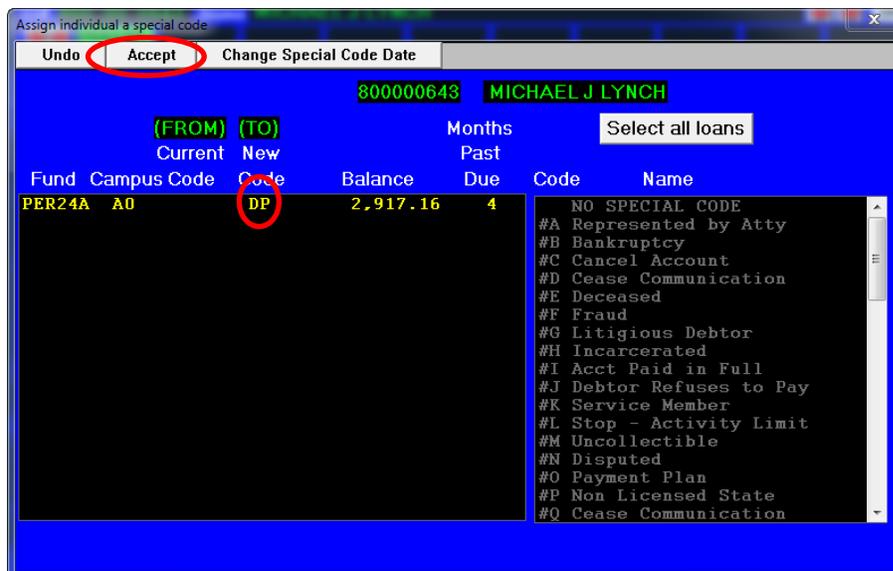


Total and Permanent Disability

Step 4: The right side of the screen activates. Use the scroll bar on the right side of the screen to locate the **DP Disability Pending** special code. Double click on the code to add it to the loan.



Step 5: The **Disability Pending** code appears under the column for **New Code**. Click **Accept** to save the code to the borrower's loan.



Total and Permanent Disability

Step 6: The **Disability Pending** code appears in the **Loan Info** box with the date in which it was added.

The screenshot shows the 'Loan Info' section of the software interface. A red circle highlights the 'Disability Pending' entry, which includes the code 'DP' and the date '08/09/2017'. Other visible details include the student's name 'MICHAEL J LYNCH', SS# '800 00 0643', and various loan terms and payments.

Student		Dues		Paid	
[1] Domestic Good	04/03/2014	Current	27.85	Amount	3,000.00
8697 MONTOUR RUN		15 Past	27.85	Prin Paid	82.84
CORAOPOLIS, PA 15108		45 Past	27.85	Prin Canc	
Ph Home (412)555-8697	RFlag 00 Status G	75 Past	27.85	Balance	2,917.16
Loan Info — Perkins-N 07/1993 To Current		105 Past	27.85	Payoff	3,130.71
3-Repayment	Separated 08/01/2013	105+Past		Suspense	
Plan 1	Interest Begin 05/01/2014	Int Due	12.15	Int Paid	37.16
Exit 11	Principal Begin 06/01/2014	Interest Past	194.40	Int Canc	
Disability Pending	DP 08/09/2017	Late Fee	7.00	Late Fee	
Dave McDonald	01 02/19/2015	Agency		Agency	
Current-Good Status	11 07/31/2014	Legal		Legal	
Term 91	Last Due Date 12/01/2022	NSF		NSF	
Hold	Interest Rate .05000 M	Letter		Letter	
Stop	Y Cycle 06 E-Note E	Cred-Bur		Cred-Bur	
Frequency M	Fixed Payment 40.00	Other 1		Other 1	
Last Transaction : PAYMNT		Phone		Phone	
Dep Amt 40.00	Date 08/05/2014	Inhouse		Inhouse	
Amt 40.00	Ck-No 123	Cohort Month Del 4 4		Next Due 03/10/2017	
Def/Canc ED FORB-B	To 10/2016	Total 352.80		1 Mon Int 12.15	
Resched To	Amt	Clear All Dues Undo Changes Apply Changes Release			
Email Bad	MICHAELLYNCH@ECSI.NET	Amount (1) Day or (1) Month of Interest is equal to			
		Scan Pw SID 00000643			

1.5 Posting a Disability Debtor 120 days

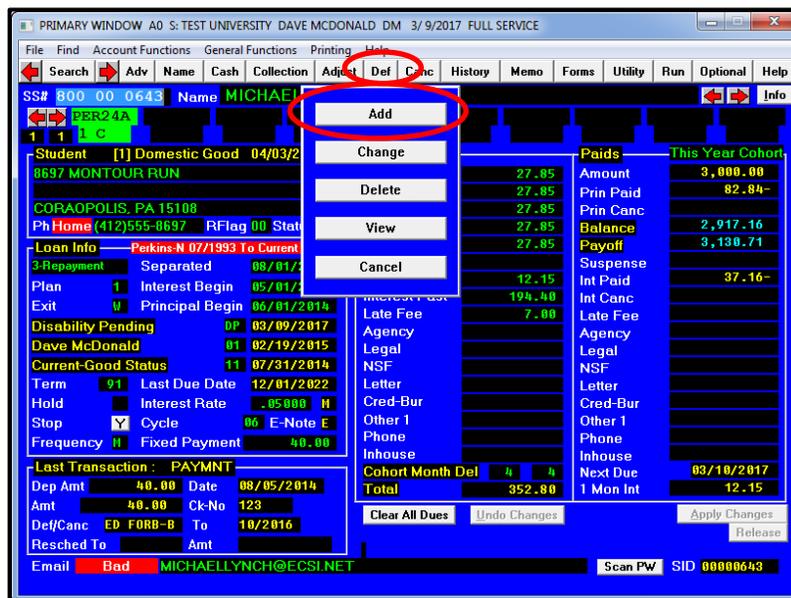
If a loan notification file includes the code "120SUSP," a 120-day Disability Debtor must be posted for the borrower. The Disability Debtor must be posted within three (3) business days of receipt of the loan notification file.

Interest continues to accrue during a 120-day Disability Debtor. If Heartland ECSI or the client does not receive additional information from Nelnet regarding the account, the 120-day disability will end and the account will return to normal billing. The borrower is responsible for paying all accrued interest if a disability claim is denied or revoked as part of the monitoring process. The Disability Debtor is added to the borrower's account in SAL using the **Def** (Deferment) action tab on the Primary Window. The borrower's loan will enter repayment 1 month after the 120-day Disability Debtor expires on the borrower's loan.

Note: If a client utilizes HECSI's auto agency program and the borrower's debt has met or exceeded the number of month's delinquent to be placed in collections, the borrower will receive a pre-acceleration notice the next time the agency program is run. If the borrower already received the pre-acceleration notice prior to the 120 day suspension, or the loan had been with an agency prior to 120 day suspension, the loan will be placed with a collection agency the next time the agency program is run.

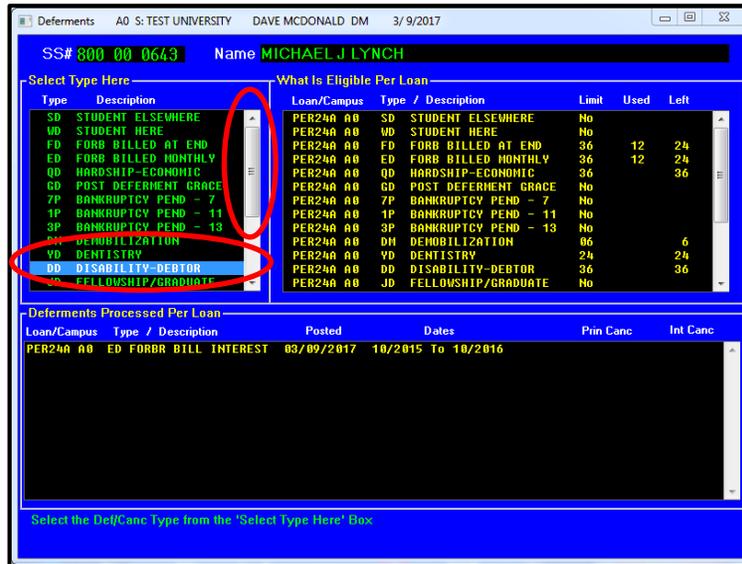
Posting a Disability Debtor 120 Days

Step 1: From the Primary Window, click the **Def** (Deferment) action tab, and then click **Add**.

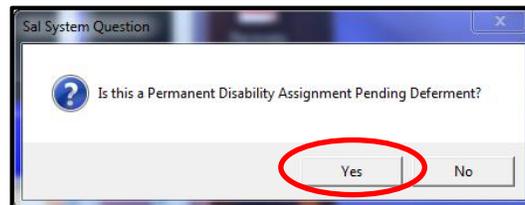


Total and Permanent Disability

Step 2: The **Deferments** window appears. On the left side of the screen under **Select Type Here** **Here** box, use the scroll bar to locate the **Disability Debtor** code. Double-click Disability Debtor.



Step 3: A Sal System Question appears asking **"Is This a Permanent Disability Assignment Pending Deferment?"** Click the **Yes** button to indicate that it is a permanent Disability Debtor pending deferment.



Total and Permanent Disability

Step 4: The **Enter Deferment Dates** window appears. Enter the **Starting Date** for the Disability Debtor. A date is included in the loan holder notification file. Use the first of the month that is listed on the report. For example, if the report states "March 7, 2017", enter "03/2017."

Enter Deferment Dates

Transaction Date: 03/09/2017
Deferment Code: DD

Deferment Description :
Disability-Debtor

Please input the following

Starting Date: 03/2017
Ending Date:

Send Borrower: Letter Email

Auto Process Manual Process

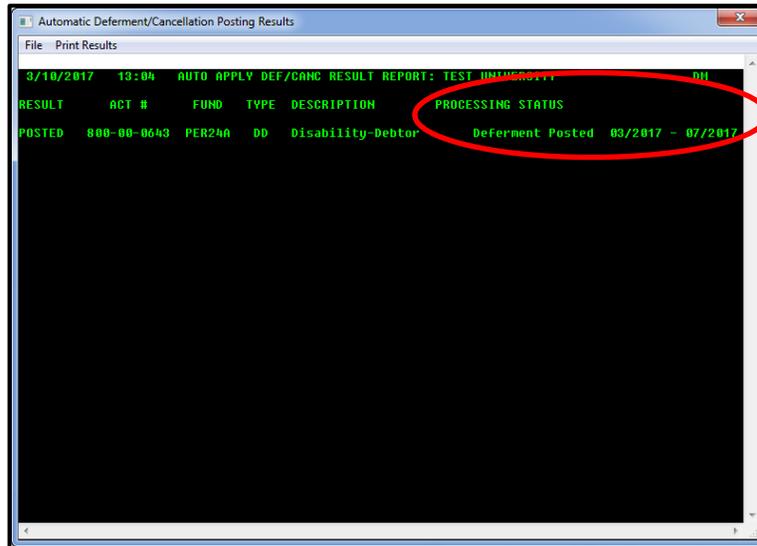
Step 5: Enter the **Ending Date** for the Disability Debtor. A date is included in the loan holder notification file. If the date in the loan holder notification file is the 1st of the month, use the exact date. Otherwise, round to the 1st of the following month to provide the borrower with the full 120 days. For example, if the loan notification file provides June 5 2017 as the end date, use 07/2017.

Note: Verify the **Send Borrower** options are checked correctly. Choosing **Letter** will require SAL to generate a letter that can be sent to the borrower confirming the Disability Debtor. Choosing **Email** (default option) will force an email notification to the borrower stating the Disability Debtor has been processed, provided a valid email address is on file for the borrower. Both options can be selected if desired.

Step 6: Click the **Auto Process** button.

Total and Permanent Disability

Step 7: The **Automatic Deferment/Cancellation Posting Results** screen appears indicating the processing status. If the Disability Debtor was not processed, the reason will be indicated below the **Processing Status**.



If any errors are present, resolve the errors and reenter the deferment. Click the **X** in the top right corner of the error report to close the window.

Total and Permanent Disability

Step 8: The Primary Window appears. The Disability Debtor information is visible in the **Last Transaction** box, as well as the **Next Due** row in the **Dues** column on the Primary Window.

PRIMARY WINDOW A0 S: TEST UNIVERSITY DAVE MCDONALD DM 3/10/2017 FULL SERVICE

File Find Account Functions General Functions Printing Help

Search Adv Name Cash Collection Adjust Def Canc History Memo Forms Utility Run Optional Help

SS# 800 00 0643 Name MICHAEL J LYNCH

PER24A

1 1 I C

Student	[1] Domestic Good	04/03/2014	Dues	Paids	This Year Cohort
8697 MONTOUR RUN			Current	Amount	3,000.00
			15 Past	Prin Paid	82.84-
CORAOPOLIS, PA 15108			45 Past	Prin Canc	
Ph Home (412)555-8697 RFlag 00 Status G			75 Past	Balance	2,917.16
			105 Past	Payoff	3,138.71
			105+Past	Suspense	
			Int Due	Int Paid	37.16-
			Interest Past	Int Canc	
			Late Fee	Late Fee	
			Agency	Agency	
			Legal	Legal	
			NSF	NSF	
			Letter	Letter	
			Cred-Bur	Cred-Bur	
			Other 1	Other 1	
			Phone	Phone	
			Inhouse	Inhouse	
			Cohort Month Del	Next Due	DISAB PENDING
			Total	1 Mon Int	12.15

Loan Info — Perkins-N 07/1993 To Current

3-Repayment Separated 08/01/2013

Plan 1 Interest Begin 05/01/2014

Exit M Principal Begin 06/01/2014

Disability Pending DP 03/10/2017

Dave McDonald 01 02/19/2015

Current-Good Status 11 07/31/2014

Term 91 Last Due Date 04/01/2023

Hold Interest Rate .05000 M

Stop Y Cycle 06 E-Note E

Frequency M Fixed Payment 40.00

Last Transaction: PAYMNT

Dep Amt 40.00 Date 08/05/2014

Amt 40.00 CK No 120

Def/Canc DD DISAB To 07/2017

Resched To Amt

Email Bad MICHAELLYNCH@ECSI.NET Scan PW SID 00000643

Clear All Dues Undo Changes Apply Changes Release

1.6 Posting an Indefinite Suspension Disability Debtor

After the Department receives the TPD application, the Department notifies the borrower's FSA loan holders that the application has been received. The loan holders are then directed to maintain the suspension of collection activity while the department reviews the application. During the review process, the Department may ask the borrower to provide additional medical evidence and may arrange for an additional review of the borrower's condition by an independent physician (at no expense to the borrower). During this time, a loan notification file is sent with the code "INDEFSUSP". In this case, a one-year Disability Debtor should be posted for each of the borrower's loans. The Disability Debtor must be posted within three (3) business days of receipt of the loan notification file.

If HECSI or the client does not receive additional information from Nelnet regarding the account, the one-year disability will auto-renew annually for up to three years.

Note: If a 120-day Disability Debtor is already on file, the user must end the existing 120-day Disability Debtor before adding the Indefinite Suspension Disability Debtor (See section 1.7 for process).

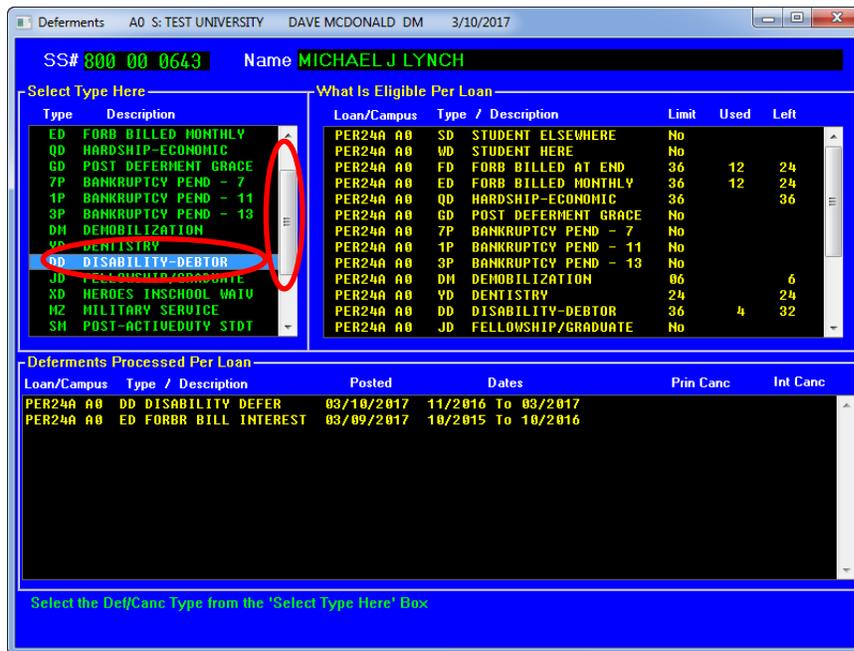
Posting an Indefinite Suspension Disability Debtor

Step 1: From the Primary Window, click the **Def** (Deferment) action tab, and then click **Add**.

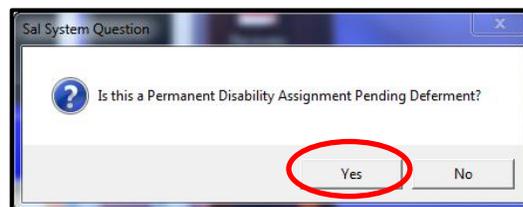
The screenshot shows the 'PRIMARY WINDOW' for a student named MICHAEL. The 'Def' menu is open, and the 'Add' option is circled in red. The window displays various loan details and a 'Paids' table.

Paids	This Year Cohort
Amount	3,000.00
Prin Paid	82.84-
Prin Canc	
Balance	2,917.16
Payoff	3,130.71
Suspense	
Int Paid	37.16-
Int Canc	
Late Fee	
Agency	
Legal	
NSF	
Letter	
Cred-Bur	
Other 1	
Phone	
Inhouse	
Next Due	DISAB PENDING
1 Mon Int	12.15

Step 2: The **Deferments** window appears. On the left side of the screen under **Select Type Here** box, use the scroll bar to locate the **Disability Debtor** code. Double-click Disability Debtor.



Step 3: A Sal System Question appears asking "Is This a Permanent Disability Assignment Pending Deferment?" Click the **Yes** button to indicate that it is a permanent Disability Debtor pending deferment.



Total and Permanent Disability

Step 4: The **Enter Deferment Dates** window appears. Enter the **Starting Date** for the Disability Debtor. A date is included in the loan holder notification file. Use the first of the month that is listed on the report. For example, if the report states "March 7, 2017", enter "03/2017."

The screenshot shows the 'Enter Deferment Dates' window with the following fields and values:

- Transaction Date: 03/09/2017
- Deferment Code: DD
- Deferment Description: Disability-Debtor
- Starting Date: 03/2017 (highlighted with a red circle)
- Ending Date: [Redacted]
- Send Borrower: Letter Email
- Buttons: Auto Process, Manual Process

Step 5: Enter the **Ending Date** for the Disability Debtor. A date is not included in the loan holder notification file. Extend the Disability Debtor out for one full year. In this example, 03/2018.

The screenshot shows the 'Enter Deferment Dates' window with the following fields and values:

- Transaction Date: 03/10/2017
- Deferment Code: DD
- Deferment Description: Disability-Debtor
- Starting Date: 03/2017
- Ending Date: 03/2018 (highlighted with a red circle)
- Send Borrower: Letter Email
- Buttons: Auto Process, Manual Process

Note: Verify the **Send Borrower** options are checked correctly. Choosing **Letter** will require SAL to generate a letter that can be sent to the borrower confirming the Disability Debtor. Choosing **Email** (default option) will force an email notification to the borrower stating the Disability Debtor has been processed, provided a valid email address is on file for the borrower. Both options can be selected if desired.

Total and Permanent Disability

Step 6: Click the **Auto Process** button.

Step 7: The **Automatic Deferment/Cancellation Posting Results** screen appears indicating the processing status. If the Disability Debtor is not processed, the reason is indicated below the **Processing Status**.

RESULT	ACT #	FUND	TYPE	DESCRIPTION	PROCESSING STATUS
POSTED	800-00-0643	PER240	DD	Disability-Debtor	Deferment Posted 03/2017 - 03/2018

Note: If any errors are present under the **Processing Status**, resolve the errors and reenter the deferment. Click the **X** in the top right corner of the error report to close the window.

Total and Permanent Disability

Step 8: The Primary Window appears. The Disability Debtor information is visible in the **Last Transaction** box, as well as the **Next Due** row in the **Paids** column.

PRIMARY WINDOW A0 S: TEST UNIVERSITY DAVE MCDONALD DM 3/10/2017 FULL SERVICE

File Find Account Functions General Functions Printing Help

Search Adv Name Cash Collection Adjust Def Canc History Memo Forms Utility Run Optional Help

SS# 800 00 0643 Name MICHAEL J LYNCH

PER24A

1 1 L C

Student [1] Domestic Good 04/03/2014

8697 MONTOUR RUN

CORAOPOLIS, PA 15108

Ph Home (412)555-8697 RFlag 00 Status G

Loan Info Perkins-N 07/1993 To Current

3-Repayment Separated 08/01/2013

Plan 1 Interest Begin 05/01/2014

Exit W Principal Begin 06/01/2014

Disability Pending DP 03/10/2017

Dave McDonald 01 02/19/2015

Current-Good Status 11 07/31/2014

Term 91 Last Due Date 04/01/2024

Hold Interest Rate .05000 M

Stop Y Cycle 06 E-Note E

Frequency M Fixed Payment 40.00

Last Transaction: PAYMNT

Dep Amt 40.00 Date 08/05/2014

Amt 40.00 CK-NO 120

Def/Canc DD DISAB To 03/2018

Resched To Amt

Dues

Current	27.85
15 Past	27.85
45 Past	27.85
75 Past	27.85
105 Past	27.85
105+Past	
Int Due	12.15
Interest Past	194.40
Late Fee	7.00
Agency	
Legal	
NSF	
Letter	
Cred-Bur	
Other 1	
Phone	
Inhouse	
Cohort Month Del	4 4
Total	352.80

Clear All Dues Undo Changes

Paids

Amount	3,000.00
Prin Paid	82.84-
Prin Canc	
Balance	2,917.16
Payoff	3,130.71
Suspense	
Int Paid	37.16-
Int Canc	
Late Fee	
Agency	
Legal	
NSF	
Letter	
Cred-Bur	
Other 1	
Phone	
Inhouse	
Next Due	DISAB PENDING
1 Mon Int	12.15

Apply Changes Release

Amount of Principal that is (45) days Past Due

Email Bad MICHAELLYNCH@ECSI.NET Scan PW SID 00000643

1.7 Ending an Indefinite Suspension Disability Debtor

If the Department determines that the borrower does not qualify for a total and permanent disability discharge, the Department notifies the borrower and the school/loan holder resumes collection on the loan. As stated in section 1.6, if Heartland ECSI does not receive additional information from Nelnet regarding the account, the one-year disability will auto-renew annually for three years. To ensure that SAL does not auto-renew the Disability Debtor, a user must manually change the Disability Debtor ending date to a value less than 12 months. For example, if the Disability Debtor is active on a borrower's account from 7/2016 to 7/2017 and a code of APPREJ is received in the TPD LHN with a rejected date of March, 7 2017, the user must end the Disability Debtor effective the following month to ensure proper billing on the loan (April 2017).

Note: If a client utilizes HECSI's auto agency program and the borrower's debt has met or exceeded the number of month's delinquent to be placed in collections, the borrower will receive a pre-acceleration notice the next time the agency program is run. If the borrower already received the pre-acceleration notice prior to the indefinite suspension, or the loan had been with an agency prior to the indefinite suspension, the loan will be placed with a collection agency the next time the agency program is run.

Ending a Disability Debtor

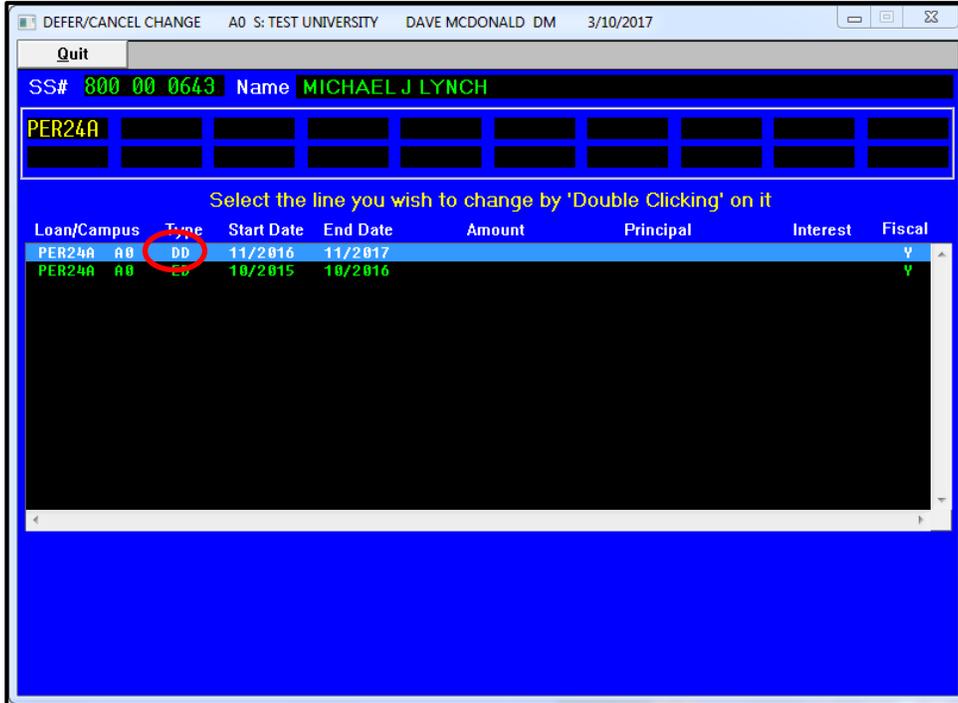
Step 1: From the Primary Window, click the **Def** (Deferment) action tab, and then click **Change**.

The screenshot shows the 'PRIMARY WINDOW' for a student named MICHAEL. The 'Def' menu is open, and the 'Change' option is highlighted. The interface displays various loan details, including the student's name, address, and loan status. The 'Disability Pending' status is visible, and the 'Change' button is circled in red.

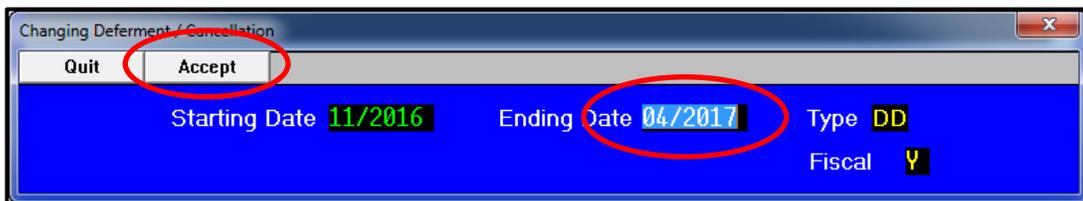
Category	Field	Value
SS#	000 00 0643	Name MICHAEL
PER	PER24A	
Student	[1] Domestic Good	04/03/2017
Address	8697 MONTOUR RUN	CORAOPOLIS, PA 15108
Phone	Home (412)555-8697	RFlag 00
Loan Info	Perkins-N 07/1993 To Current	
Repayment	3-Repayment	Separated 08/01/2017
Plan	1	Interest Begin 05/01/2017
Exit	W	Principal Begin 06/01/2014
Disability Pending	DP	03/10/2017
Disability Debtor	Dave McDonald	01 02/19/2015
Current-Good Status	11	07/31/2014
Term	91	Last Due Date 12/01/2023
Hold		Interest Rate .05000 M
Stop	Y	Cycle 06 E-Note E
Frequency	M	Fixed Payment 40.00
Last Transaction	PAYMNT	
Dep Amt	40.00	Date 08/05/2014
Amt	40.00	Ck-No 123
Def/Canc	DD DISAB	To 11/2017
Resched To		
Email	Bad MICHAELLYNCH@ECSI.NET	
Scan PW	SID 00000643	

Total and Permanent Disability

Step 2: The **DEFER/CANCEL CHANGE** window appears. Double Click on the Disability Debtor code (DD).

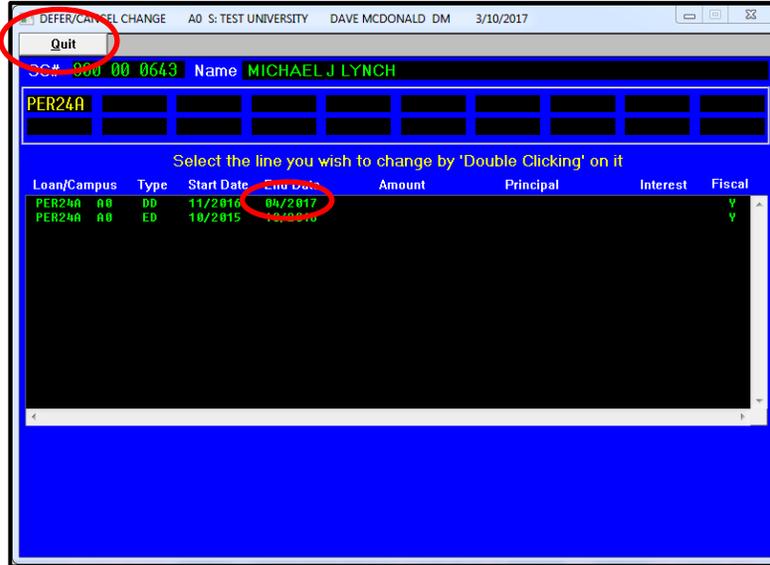


Step 3: The **Changing Deferment/Cancellation** window appears. Update the **Ending Date** to be plus 1 month to what is listed under the Date Rejected that appears in the TPD LHN. Click the **Accept** button to save your changes.



Total and Permanent Disability

Step 4: The **End Date** of the Disability Debtor is updated on the **DEFER/CANCEL CHANGE** window. Click **Quit** to return to the Primary Window.



Step 5: The Disability Ending date appears in the **Last Transaction** box and the borrower's loan will be billed on the next billing calc run by HECSI.



Note: The **Disab Pending** message under the **Next Due** field is removed after the next billing calc. The user must also remove the Disability Pending Special Code from the **Loan Info** box.

1.8 Concurrent Deferments

If an existing deferment is on file at the time the Disability Debtor is posted, it should remain on the account. There are two instances in which a Disability Debtor can interact with an existing deferment on a borrower's loan. First, the Disability Debtor extends beyond the end of the existing deferment or forbearance. Second, the Disability Debtor is nested in the middle of an existing deferment or forbearance.

When a user must add a Disability Debtor to a borrower's account that extends beyond the existing deferment/forbearance end date, SAL adjusts the dates of the new deferment to maximize the borrower's deferment time.

For example, in the screen shot below, the borrower had an Unemployment deferment on the account dated 11/2016 to 5/2017. When the Disability Debtor was added with the dates 3/2017 to 7/2017, SAL altered the Disability Debtor dates to allow the borrower to use the remainder of the eligible Unemployment deferment. The new dates for the Disability Debtor are 5/2017 to 7/2017.

Viewing Deferments AO S: TEST UNIVERSITY DAVE MCDONALD DM 3/21/2017

SS# 800 00 2330 Name CORINNE LYNCH

Select Type Here

Type	Description
SD	STUDENT ELSEWHERE
WD	STUDENT HERE
FD	FORB BILLED AT END
ED	FORB BILLED MONTHLY
QD	HARDSHIP-ECONOMIC
GD	POST DEFERMENT GRACE
7P	BANKRUPTCY PEND - 7
1P	BANKRUPTCY PEND - 11
3P	BANKRUPTCY PEND - 13
DN	DEMOBILIZATION
YD	DENTISTRY
DD	DISABILITY-DEBTOR
JD	FELLOWSHIP/GRADUATE

What is Eligible Per Loan

Loan/Campus	Type / Description	Limit	Used	Left
PER24A A0	SD STUDENT ELSEWHERE	No		
PER24A A0	WD STUDENT HERE	No		
PER24A A0	FD FORB BILLED AT END	36		36
PER24A A0	ED FORB BILLED MONTHLY	36		36
PER24A A0	QD HARDSHIP-ECONOMIC	36		36
PER24A A0	GD POST DEFERMENT GRACE	No		
PER24A A0	7P BANKRUPTCY PEND - 7	No		
PER24A A0	1P BANKRUPTCY PEND - 11	No		
PER24A A0	3P BANKRUPTCY PEND - 13	No		
PER24A A0	DN DEMOBILIZATION	06		6
PER24A A0	YD DENTISTRY	24		24
PER24A A0	DD DISABILITY-DEBTOR	36	2	34
PER24A A0	JD FELLOWSHIP/GRADUATE	No		

Deferments Processed Per Loan

Loan/Campus	Type / Description	Posted	Date	Prin Canc	Int Canc
PER24A A0	DD DISABILITY DEFER	03/21/2017	05/2017 To 07/2017		
PER24A A0	LD UNEMPLOYMENT DEFER	03/21/2017	11/2016 To 05/2017		

Viewing Eligibility

Total and Permanent Disability

If a user tries to add a Disability Debtor to a borrower's loan that entirely overlaps an existing deferment/forbearance, the user will receive the following error message:

```
PROCESSING STATUS
*** Deferment NOT Possible - DEFERRED MOS MUST BE > ZERO
```

If the Disability Debtor must be added in the middle of an existing deferment or forbearance, the user must change the end date of the current deferment or forbearance in SAL, add the Disability Debtor, then go back and change the end date of the previous deferment or forbearance to its original ending date. The overnight Out of Balance process will adjust the borrower's account so that both the deferment and Disability Debtor exists at the same time.

For example, in the screen shot below, the borrower has an unemployment deferment on the account dated 11/2016 to 11/2017.

Deferments Processed Per Loan						
Loan/Campus	Type / Description	Posted	Dates		Prin Canc	Int Canc
PER24A A0	LD UNEMPLOYMENT DEFER	03/21/2017	11/2016 To 11/2017			

When this Disability Debtor is received needs to be posted from 3/2017 to 7/2017, the SAL user must change the end date on the existing Unemployment deferment as of 3/2017.

Changing Deferment / Cancellation	
Quit	Accept
Starting Date	11/2016
Ending Date	03/2017
Type	LD
Fiscal	Y

Total and Permanent Disability

Once the Disability Debtor is added, the SAL user must go back to change the ending date of the Unemployment deferment back to 11/2017.

Deferments Processed Per Loan						
Loan/Campus	Type / Description	Posted	Dates		Prin Canc	Int Canc
PER24A A0	DD DISABILITY DEFER	03/28/2017	03/2017	To 07/2017		
PER24A A0	LD UNEEMPLOYMENT DEFER	03/21/2017	11/2016	To 03/2017		

Changing Deferment / Cancellation

Quit Accept

Starting Date **11/2016** Ending Date **11/2017** Type **LD**

Fiscal **Y**

Both the Unemployment deferment and the Disability Debtor exist on the loan in SAL. When the Out of Balance process runs overnight, the Unemployment Deferment will be the primary deferment on the borrower's loan as its ending date is later than that of the Disability Debtor. Because the Unemployment deferment is the primary deferment, interest will not accumulate on the borrower's loan.

Deferments Processed Per Loan						
Loan/Campus	Type / Description	Posted	Dates		Prin Canc	Int Canc
PER24A A0	DD DISABILITY DEFER	03/28/2017	03/2017	To 07/2017		
PER24A A0	LD UNEEMPLOYMENT DEFER	03/21/2017	11/2016	To 11/2017		

*Total and Permanent Disability***1.9 Processing a Disability Discharge Cancellation Veteran**

A veteran's Perkins Loan will be discharged if the veteran is unemployable due to a service-connected disability, as determined by the Department of Veterans Affairs (VA). Beginning July 1, 2013, to qualify for a Veteran's Discharge, a veteran must submit a completed copy of the TPD discharge application to the Department. Veterans do not need to obtain a physician's certification or provide documentation of eligibility for SSA disability benefits with the application. Instead, the veteran must include documentation from the VA showing that the veteran is unemployable due to a service-connected disability. The veteran will not be required to provide any additional documentation related to his or her disability.

If the Department indicates that the veteran meets the conditions for a service-related discharge, the school is directed to discharge the loan. Schools are not required to assign the loan because loans discharged based on VA disability documentation are not subject to the post-discharge monitoring period or reinstatement.

If the Department determines that the documentation from the Department of Veterans Affairs does not indicate that the veteran meets the conditions for a discharge, the Department directs the school to resume collection on the loan. The Department also notifies the veteran that the TPD discharge has been denied and that the veteran can reapply for a TPD discharge if the borrower meets the general definition of "totally and permanently disabled".

Upon receiving the TPD LHN file with an APPAPPR status and a TPD code of VET (Veteran), the user must process a Veteran-Disability Cancellation to the borrower's loans in SAL.

Note: Verify that no payments have been received since the disability eligibility date that appears in the TPD LHN file. If payments have been received, they should be reversed and refunded to the borrower prior to posting the cancellation. Processed payments are listed under the **History** Action Tab. See section 1.12 on how to reverse payments from SAL.

Total and Permanent Disability

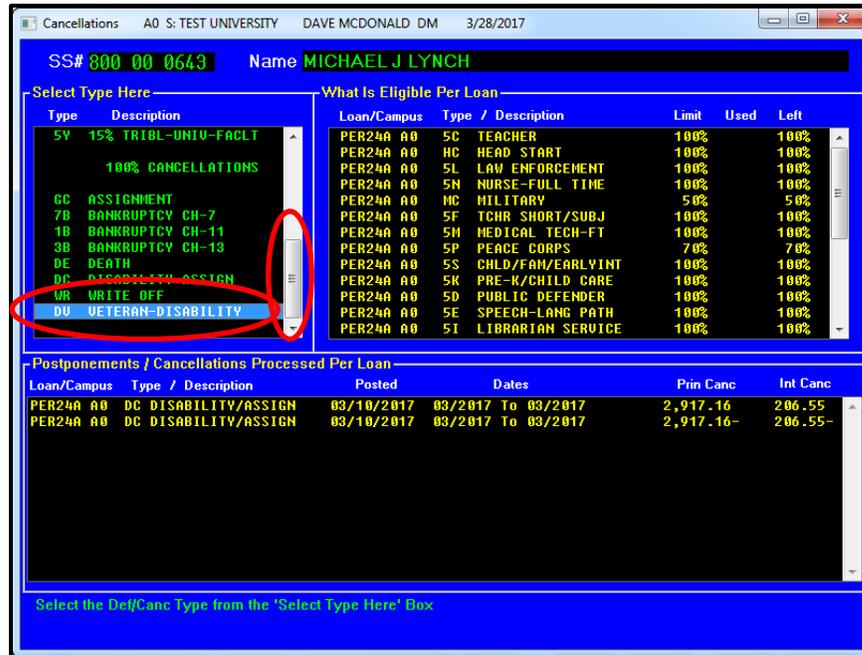
Posting a Disability Cancellation Veteran

Step 1: From the Primary Window, click the **Canc** (Cancellation) action tab, and then click the **Add** button.



Total and Permanent Disability

Step 2: The **Cancellations** window appears. On the left side of the screen under the **Select Type Here** box, use the scroll bar to locate the disability assignment code. Double click on **DC Disability Assign**,



Total and Permanent Disability

Step 3: The **Enter Cancellation Dates** window appears with the cancellation dates already populated. Select the **Manual Processing** button.

Note: Verify that the correct fiscal tag is selected before processing the cancellation. If the cancellation is being processed as a part of this Fiscal Year, choose the radio button to the left of **Yes**. If the cancellation was processed as a part of a prior filed FISAP, select the radio button to the left of **No**.

Enter Cancellation Dates

Transaction Date: 03/28/2017
Cancellation Code: DV

Description:
Veteran-Disability

Please Input the following

Starting Date: 03/2017
Ending Date: 03/2017
Send Borrower: Letter Email
For this fiscal? Yes No

Auto Processing **Manual Processing** Low Income Schools

Note: Verify the **Send Borrower** options are checked correctly. Choosing **Letter** will require SAL to generate a letter that can be sent to the borrower confirming the Disability Debtor cancellation. Choosing **Email** (default option) will force an email notification to the borrower stating the Disability Debtor has been processed, provided a valid email address is on file for the borrower. Both options can be selected if desired.

Total and Permanent Disability

Step 4: The **Cancellations** window appears. The **Discharge Date** will default to today's date. This date should be updated to match the approval date as it appears in the TPD LHN file.

Transaction Type	Dues	Paid
Transaction Type	Current	Amount
Check Number	15 Past	Prin Paid
Discharge Date	45 Past	Prin Canc
For This Fiscal Y	75 Past	Balance
Principal Canc	105 Past	Payoff
Interest Canc	105+Past	Suspense
Suspense	Int Due	Int Paid
Penalty / Late	Int Past	Int Canc
Agency Comm	Late Fee	Late Fee
Legal Fee	Agency	Agency
NSF Fee	Legal	Legal
Letter Fee	NSF	NSF
Credit Bureau	Letter	Letter
Other 1	Cred-Bur	Cred-Bur
Phone	Other 1	Other 1
Inhouse	Phone	Phone
	Inhouse	Inhouse
	Month Del	Next Bill
Total	Total	1 Mo Int

Buttons: Clear All Dues, History, Memos, Undo Changes, Next Loan, Apply, Quit

Total and Permanent Disability

Step 5: Verify the amounts on the screen to be correct. SAL will automatically pull all outstanding Principal, Interest, and Penalty/Late fees to be cancelled. Users should add in additional fees (Letters/Phone/Etc). Click **Clear All Dues** to remove the dues from the dues column.

CANCELLATIONS AO S: TEST UNIVERSITY DAVE MCDONALD DM 3/28/2017

SS# 800 00 0643 Name MICHAEL J LYNCH

PER24A

Transaction Type		Dues		Paid	
Transaction Type	VET-DISBLTY	Current		Amount	3,000.00
Check Number		15 Past		Prin Paid	82.84-
Discharge Date	03/10/2017	45 Past		Prin Canc	2,917.16-
For This Fiscal ?	Y	75 Past		Balance	
Principal Canc	2,917.16-	105 Past		Payoff	147.15
Interest Canc	133.65-	105+Past		Suspense	
Suspense		Int Due	133.65	Int Paid	37.16-
Penalty / Late	7.00-	Int Past		Int Canc	133.65-
Agency Comm		Late Fee	7.00	Late Fee	7.00-
Legal Fee		Agency		Agency	
NSF Fee		Legal		Legal	
Letter Fee	3.00-	NSF		NSF	
Credit Bureau		Letter	3.00	Letter	3.00-
Other 1		Cred-Bur		Cred-Bur	
Phone	3.50-	Other 1		Other 1	
Inhouse		Phone	3.50	Phone	3.50-
Total	3,064.31-	Inhouse		Inhouse	
		Month Del		Next Bill	DEFERRED
		Total	147.15	1 Mo Int	12.15

Buttons: Clear All Dues, History, Memos, Undo Changes, Next Loan, Apply, Quit

Step 6: Click the **Apply** button to process the cancellation.

CANCELLATIONS AO S: TEST UNIVERSITY DAVE MCDONALD DM 3/28/2017

SS# 800 00 0643 Name MICHAEL J LYNCH

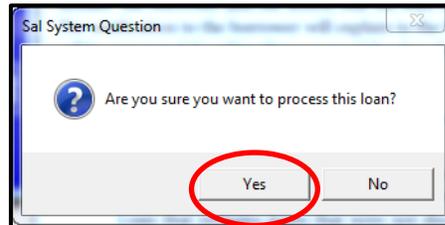
PER24A

Transaction Type		Dues		Paid	
Transaction Type	VET-DISBLTY	Current		Amount	3,000.00
Check Number		15 Past		Prin Paid	82.84-
Discharge Date	03/10/2017	45 Past		Prin Canc	2,917.16-
For This Fiscal ?	Y	75 Past		Balance	
Principal Canc	2,917.16-	105 Past		Payoff	147.15
Interest Canc	133.65-	105+Past		Suspense	
Suspense		Int Due	133.65	Int Paid	37.16-
Penalty / Late	7.00-	Int Past		Int Canc	133.65-
Agency Comm		Late Fee	7.00	Late Fee	7.00-
Legal Fee		Agency		Agency	
NSF Fee		Legal		Legal	
Letter Fee	3.00-	NSF		NSF	
Credit Bureau		Letter	3.00	Letter	3.00-
Other 1		Cred-Bur		Cred-Bur	
Phone	3.50-	Other 1		Other 1	
Inhouse		Phone	3.50	Phone	3.50-
Total	3,064.31-	Inhouse		Inhouse	
		Month Del		Next Bill	DEFERRED
		Total	147.15	1 Mo Int	12.15

Buttons: Clear All Dues, History, Memos, Undo Changes, Next Loan, Apply, Quit

Total and Permanent Disability

Step 7: A Sal System Question appears asking "Are you sure you want to process this loan?" Click the **Yes** button to confirm the cancellation should be processed. Click **No** to return to the **Cancellations** window and bypass the cancellation.



Step 8: The Primary Window appears. The Loan Bucket displays a **VDS** code.

SS#	F00	00	00	13	Name	Info
1	PER24A	VDS			MICHAEL J LYNCH	

Student	117	Domestic Good	04/03/2014	Dues	Paid	This Year Cohort
8697	MONTOUR RUN			Current	Amount	3,000.00
	CORAOPOLIS, PA 15108			15 Past	Prin Paid	82.84-
	Ph Home (412)555-8697	RFlag 00	Status G	45 Past	Prin Canc	2,917.16-
				75 Past	Balance	
				105 Past	Payoff	
				105+Past	Suspense	
				Int Due	Int Paid	37.16-
				Interest Past	Int Canc	133.65-
				Late Fee	Late Fee	7.00-
				Agency	Agency	
				Legal	Legal	
				NSF	NSF	
				Letter	Letter	3.00-
				Cred-Bur	Cred-Bur	
				Other 1	Other 1	
				Phone	Phone	3.50-
				Inhouse	Inhouse	
				Cohort Month Del	Next Due	ZERO BALANCE
				Total	1 Mon Int	

Step 2: The **Assignment – Form 1845** window appears. Ensure the check box under each approved loan is selected. Click the **Accept** button.

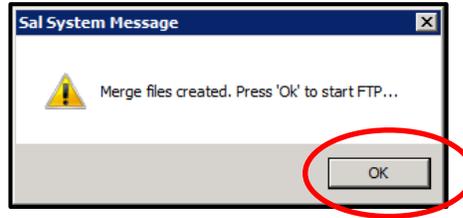
Step 3: The borrower's account number appears with an **Accepted** message under the **Generate** button.

Note: If the user is processing assignment forms for multiple borrowers, enter the next social security number in the **SS** box and hit the Enter/Return key on your keyboard. Repeat these steps as necessary.

Step 4: Click the **Generate** button to begin generating the 1845 forms.

Total and Permanent Disability

Step 5: A Sal System Message appears stating "Merge files created. Press 'Ok' to start FTP..." Click **OK**



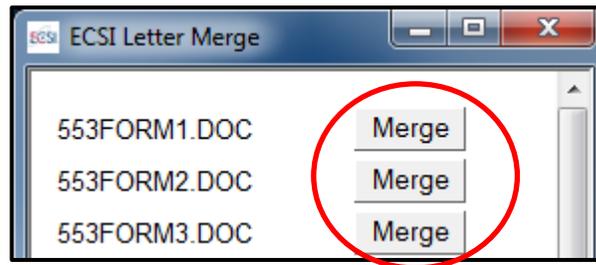
Step 6: A command window displays the process of building the merge file, encrypting it, and moving it to the Heartland ECSI Secure FTP Server. SAL uses mail merge technology to send data from SAL to the 1845 templates saved to each user's computer. Once this command disappears, minimize the Remote Desktop Connection. Do not close the Remote Desktop Connection.



Step 7: Double Click the **Letters Icon** on your desktop.



Step 8: The **ECSI Letter Merge** window appears. Three different forms must be generated to complete the 1845 process. Locate 553FORM1.DOC, 553FORM2.DOC, AND 553FORM3.DOC from the **ECSI Letter Merge** window and click the **Merge** button to the right of each letter code.



Note: Each form must be printed and mailed to the Department.

553FORM1.DOC is the Institutional Certification Form that must be signed by the authorized official at the school. Heartland ECSI cannot sign this form on the client's behalf.

553FORM2.DOC is the Borrower and Loan Information Form.

553FORM3.DOC is the manifest providing a list of all generated assignment forms in the package being sent to the Department via Nelnet.

Step 9: The created forms appear. Print and mail each document to the Department via Nelnet.

<p>According to the Paperwork Reduction Act of 1995, no persons are required to respond to collection information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0048. The time required to complete this information collection is estimated to average 30 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to U.S. Department of Education, Washington, D.C. 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to Federal Student Aid, U.S. Department of Education, Operations Services, Processing Division, Perkins Loan Assignments, 50 Beale Street, Suite 8601, San Francisco, CA 94105.</p>		<p>OMB Number 1845-0048 Form Approved Expiration Date: 12/31/2018</p>		
<p>Federal Perkins Loan Program/NSL Assignment Form: Institutional Certification</p>				
<p>The borrower(s) named on the attached manifest received Federal Perkins Loan Program, National Direct Student Loan Program, or National Defense Student Loan Program loan(s) authorized under Title IV, Part E, of the Higher Education Act of 1965, as amended, or authorized under Title II of the National Defense Education Act. The institution is assigning all rights and title under such note or agreement to the United States Department of Education, without recompense as provided under Section 468(a)(5), 20 U.S.C. 1087cc.</p>				
<p>SECTION A – INSTITUTIONAL INFORMATION</p>				
<p>1. Name of Institution TEST UNIVERSITY</p>		<p>2. OPEID Number 00335200</p>		
<p>3. Street Address of Institution STUDENT LOAN COLLECTIONS 4190 CITY AVENUE</p>				
<p>4. City PHILADELPHIA</p>	<p>5. State PA</p>	<p>6. Zip Code 19131-1693</p>		
<p>SECTION B – CERTIFICATION</p>				
<p>I understand that if I knowingly make a false statement or misrepresentation on this form in the course of assigning loans to the United States Department of Education, I am subject to a fine of up to \$10,000 or imprisonment of up to five (5) years or both under provisions of the United States Criminal Code, 18 U.S.C. 1001.</p>				
<p>7. Typed Name of Authorized Official VICKI STEVENS</p>		<p>8. Telephone Number 215-871-6190</p>		
<p>9. Typed Title of Authorized Official</p>		<p>10. Alternate Contact</p>		
<p>11. Signature of Authorized Official</p>		<p>12. Certification Date (MM/DD/YYYY) 03/10/2017</p>		
<p>SECTION C – MANIFEST</p>				
<p>Instructions: Attach a manifest to this form listing the loans that are being assigned. The institution name and OPEID Number must appear at the top of each page of the manifest. The manifest must be in the following format:</p>				
Borrower's Name and Social Security Number	Type of Loan	Interest Rate	Total Amount Outstanding (Section D, Item # 37)	Date(s) of First Disbursement
<p>Under "Loan Type" indicate P for Perkins Loans, I for National Direct Student Loans, and E for National Defense Student Loans. If a borrower received loans of different types and/or interest rates, the loans must be assigned as separate loans and listed on the manifest as separate loans, regardless of how they were reported to NSLDS. NOTE: "Date of First Disbursement" for each loan listed on the manifest must match the date of first disbursement initially reported to NSLDS. See Detailed Instructions.</p>				

Note: When exiting the forms, Word will ask you if you wish to save your changes to the document. DO NOT save the document as this will overwrite the 1845 templates saved on your machine.

1.11 Processing a Disability Discharge Cancellation Standard

Once the 1845 forms have been generated, HECSI or the client must process a disability cancellation to the borrower's account in SAL. This is done in conjunction with the 1845 forms upon receiving the LHN file with an APPAPPR status and a TPD type of STD (Standard).

Posting a Disability Cancellation Standard

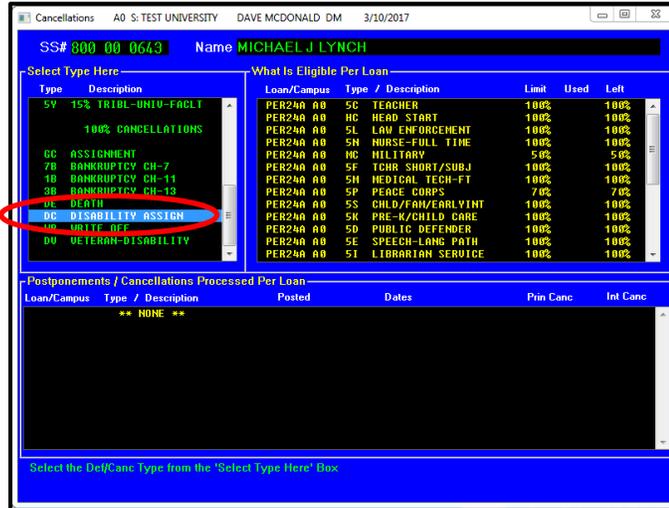
Step 1: From the Primary Window, click the **Canc** (Cancellation) action tab, and then click the **Add** button.

The screenshot shows the 'PRIMARY WINDOW' for account AD S: TEST UNIVERSITY DAVE McDONALD DM 3/10/2017 FULL SERVICE. The account name is MICHAEL J LY. The menu bar includes Search, Adv, Name, Cash, Collection, Adjust, Def, Canc, History, Memo, Forms, Utility, Run, Optional, and Help. The 'Canc' menu item is circled in red, and a context menu is open over it with 'Add' also circled in red. The account details include SS#, PRR24A, Student status, Loan Info, and various dates and amounts.

Category	Item	Value	Category	Item	Value
Paid	Amount	3,000.00	This Year Cohort	Amount	3,000.00
	Prin Paid	82.84		Prin Paid	82.84
	Prin Canc	27.85		Prin Canc	27.85
	Balance	2,917.16		Balance	2,917.16
	Payoff	3,130.71		Payoff	3,130.71
Suspense	Int Paid	37.16	Int Canc	Int Paid	37.16
	Int Canc	12.15		Int Canc	12.15
Late Fee	Late Fee	194.40	Agency	Late Fee	7.00
	Late Fee	7.00		Agency	Legal
Agency	Legal		NSF	Legal	
	Legal			NSF	NSF
Letter	Cred-Bur		Other 1	Letter	
	Cred-Bur			Other 1	Cred-Bur
Phone	Other 1		Inhouse	Phone	
	Phone			Inhouse	Inhouse
Cohort Month Del	4	4	Next Due	DISAB PENDING	12.15
	Total	352.80		1 Mon Int	12.15

Total and Permanent Disability

Step 2: On the left side of the screen under the **Select Type Here** box, use the scrollbar to locate the disability assignment code. Double click on **DC Disability Assign.**



Step 3: The **Enter Cancellation Dates** window appears with the cancellation dates already populated. Select the **Manual Processing** button.

Note: Verify that the correct fiscal tag is selected before processing the cancellation. If the cancellation is being processed as a part of this Fiscal Year, choose the radio button to the left of **Yes**. If the cancellation was processed as a part of a prior filed FISAP, select the radio button to the left of **No**.

Enter Cancellation Dates

Transaction Date: 03/10/2017
Cancellation Code: DC

Description:
Disability Assign

Please Input the following

Starting Date: 03/2017
Ending Date: 03/2017
Send Borrower: Letter Email
For this fiscal? Yes No

Auto Processing **Manual Processing** Low Income Schools

Note: Verify the **Send Borrower** options are checked correctly. Choosing **Letter** will require SAL to generate a letter that can be sent to the borrower confirming the Disability Debtor cancellation. Choosing **Email** (default option) will force an email notification to the borrower stating the Disability Debtor has been processed, provided a valid email address is on file for the borrower. Both options can be selected if desired.

Total and Permanent Disability

Step 4: The **Cancellations** window appears. The **Discharge Date** will default to today's date. This date should be updated to match the approval date as it appears in the TPD LHN file

Transaction Type	Amount	Dues	Amount	Paid	Amount
Transaction Type	DISABILITY	Current	27.85	Amount	3,000.00
Cheq Number		15 Past	27.85	Prin Paid	82.84-
Discharge Date	03/18/2017	45 Past	27.85	Prin Canc	2,917.16-
For This Fiscal	Y	75 Past	27.85	Balance	
Principal Canc	2,917.16-	105 Past	27.85	Payoff	220.05
Interest Canc	206.55-	105+Past		Suspense	
Suspense		Int Due	12.15	Int Paid	37.16-
Penalty / Late	7.00-	Int Past	194.40	Int Canc	206.55-
Agency Comm		Late Fee	7.00	Late Fee	7.00-
Legal Fee		Agency		Agency	
NSF Fee		Legal		Legal	
Letter Fee		NSF		NSF	
Credit Bureau		Letter	3.00	Letter	
Other 1		Cred-Bur		Cred-Bur	
Phone		Other 1		Other 1	
Inhouse		Phone	3.50	Phone	
		Inhouse		Inhouse	
Total	3,130.71-	Month Del		Next Bill	DISAB PENDING
		Total	359.30	1 Mo Int	12.15

Total and Permanent Disability

Step 5: Verify the amounts on the screen to be correct. Sal automatically pulls all outstanding Principal, Interest, and Penalty/Late fees to be cancelled. Users must add in additional fees (Letters/Phone/Etc) as these fees are included in the 1845 form. Click **Clear All Dues** to remove the dues from the dues column.

Transaction Type		Dues		Paid	
Transaction Type	DISABILITY	Current	27.85	Amount	3,000.00
Check Number		15 Past	27.85	Prin Paid	82.84-
Discharge Date	03/10/2017	45 Past	27.85	Prin Canc	2,917.16-
For This Fiscal ?	Y	75 Past	27.85	Balance	
Principal Canc	2,917.16-	105 Past	27.85	Payoff	220.05
Interest Canc	206.55-	105+Past		Suspense	
Suspense		Int Due	12.15	Int Paid	37.16-
Penalty / Late	7.00-	Int Past	194.40	Int Canc	206.55-
Agency Comm		Late Fee	7.00	Late Fee	7.00-
Legal Fee		Agency		Agency	
NSF Fee		Legal		Legal	
Letter Fee	3.00-	NSF		NSF	
Credit Bureau		Letter	3.00	Letter	3.00-
Other 1		Cred-Bur		Cred-Bur	
Phone	3.50-	Other 1		Other 1	
Inhouse		Phone	3.50	Phone	3.50-
		Inhouse		Inhouse	
		Month Del		Next Bill	DISAB PENDING
Total	3,137.21-	Total	359.30	1 Mo Int	12.15

Buttons: **Clear All Dues** (circled), History, Memos, Undo Changes, Next Loan, Apply, Quit

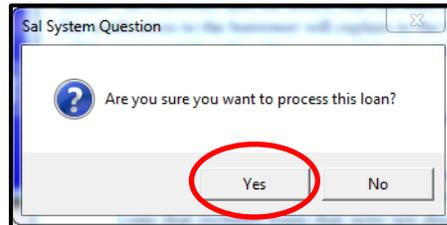
Step 6: Click the **Apply** button to process the cancellation.

Transaction Type		Dues		Paid	
Transaction Type	DISABILITY	Current		Amount	3,000.00
Check Number		15 Past		Prin Paid	82.84-
Discharge Date	03/10/2017	45 Past		Prin Canc	2,917.16-
For This Fiscal ?	Y	75 Past		Balance	
Principal Canc	2,917.16-	105 Past		Payoff	220.05
Interest Canc	206.55-	105+Past		Suspense	
Suspense		Int Due		Int Paid	37.16-
Penalty / Late	7.00-	Int Past		Int Canc	206.55-
Agency Comm		Late Fee		Late Fee	7.00-
Legal Fee		Agency		Agency	
NSF Fee		Legal		Legal	
Letter Fee		NSF		NSF	
Credit Bureau		Letter		Letter	
Other 1		Cred-Bur		Cred-Bur	
Phone		Other 1		Other 1	
Inhouse		Phone		Phone	
		Inhouse		Inhouse	
		Month Del		Next Bill	DISAB PENDING
Total	3,130.71-	Total		1 Mo Int	12.15

Buttons: Clear All Dues, History, Memos, Undo Changes, Next Loan, **Apply** (circled), Quit

Total and Permanent Disability

Step 7: A Sal System Question appears asking "Are you sure you want to process this loan?" Click the **Yes** button to confirm the cancellation should be processed. Click **No** to return to the **Cancellations** window and bypass the cancellation.



Step 8: The Primary Window appears. A **Disability Cancellation** special code appears in the **Loan Info** box, the loan repayment status code displays **6-Assigned**, the Loan Bucket displays a **DOE** code, and the **Next Due** field indicates **DISAB ASSIGN** indicating the process is complete.

Student	Domestic Good	04/03/2014	Dues	Amount	This Year Cohort
0697	MONTOUR RUN		Current		3,000.00
			15 Past		82.84-
			45 Past		2,917.16-
			75 Past		
			105 Past		
			105+Past		
			Int Due		37.16-
			Interest Past		206.55-
			Late Fee		7.00-
			Agency		
			Legal		
			NSF		
			Letter		
			Cred-Bur		
			Other 1		
			Phone		
			Inhouse		
			Cohort Month Del		
			Total		

Total and Permanent Disability

Once the cancellation is posted, the work on the borrower's account is complete. However, the balance will be reinstated if, within three years of the date the Department granted the discharge, the borrower

- Has annual earnings from employment that exceed 100% of the poverty guideline for a family of two.
- Receives a new TEACH Grant or a new loan under the Perkins or Direct Loan programs, except for a Direct Consolidation Loan that includes loans that were not discharged.
- Fails to ensure that the full amount of any disbursement of an FSA loan or TEACH grant received before the discharge date is returned to the loan holder or the Department, as applicable, within 120 days of the disbursement date.
- Receives a notice from the SSA that the borrower is no longer disabled or that the borrower's continuing disability review will no longer be the five- to seven-year period.

Once the Department has confirmed the debt has been discharged, a TPD LHN file is sent with a status code of DISCRG from Nelnet. Add a memo to the account in SAL that the discharge has been completed.

1.12 Reversing Payments

If a borrower makes payments between the time that a disability application is submitted and the disability eligibility date, the payments must be reversed and refunded to the borrower. The borrower must also be notified that there is no need to make payments on the loan once the debt has been discharged due to TPD, unless the loan is reinstated or the Department directs the borrower otherwise. Processing payment reversals must be done prior to generating the 1845 forms.

Reversing a Payment

Step 1: From the Primary Window of the account that should have a payment reversal applied, click the **Adjustment** Action Tab, and then click the **Payment Reversal** button.

The screenshot shows the 'PRIMARY WINDOW' for account 'A0 S: TEST UNIVERSITY DAVE McDONALD DM 3/10/2017 FULL SERVICE'. The 'Adjust' menu is open, and 'Payment Reversal' is highlighted with a red circle. The menu options include: NSF, Refund, Refund Reversal, Payment Adjustment, Adj Transfer In/Out, Adj Same Loan, Foreign Exchange, Payment Reversal, Agy Paid You Reverse, Change SS#/SID/Fund, General Ledger, Pri Care Non-Comp, Pri Care Compliance, and Cancel. The background shows account details for Dave McDonald, including SS#, Name, Student status, Loan Info, and a table of payments.

E-BILL		Paid	Next Year Cohort
Amount		2,000.00	
Prin Paid		557.46-	
Prin Canc			
Balance		1,442.54	
Payoff		1,442.54	
Suspense			
Int Paid		123.54-	
Int Canc			
Late Fee		1.00-	
Agency			
Legal			
NSF			
Letter			
Cred-Bur			
Other 1			
Phone			
Inhouse			
Next Due			03/10/2017
1 Mon Int			6.01

Total and Permanent Disability

Step 2: Double-click the payment that needs to be reversed.

Act 800 00 1048 Name ALEXANDER LYNCH

Double Click on the Payment to Reverse

DESC	DR	POSTED	FUND	CAMP	TOTAL PAYMENT	AMOUNT	PRINCIPAL	INTEREST
PAYMNT 5759		2/23/2017	PER24A	00	40.00	40.00	33.85-	6.15-
PAYMNT 5760		1/20/2017	PER24A	00	40.00	40.00	33.71-	6.29-
PAYMNT 5740		12/ 8/2016	PER24A	00	40.00	40.00	33.57-	6.43-
PAYMNT 5736		11/23/2016	PER24A	00	40.00	40.00	33.43-	6.57-
PAYMNT 5731		10/20/2016	PER24A	00	40.00	40.00	33.29-	6.71-
PAYMNT 5724		9/22/2016	PER24A	00	40.00	40.00	33.15-	6.85-
PAYMNT 5717		8/18/2016	PER24A	00	81.00	81.00	65.76-	14.24-
PAYMNT 5709		6/23/2016	PER24A	00	40.00	40.00	32.74-	7.26-
PAYMNT 5702		5/19/2016	PER24A	00	40.00	40.00	32.61-	7.39-
PAYMNT 5698		4/21/2016	PER24A	00	40.00	40.00	32.47-	7.53-
PAYMNT 5691		3/17/2016	PER24A	00	40.00	40.00	32.34-	7.66-
PAYMNT 5685		2/18/2016	PER24A	00	40.00	40.00	32.20-	7.80-
PAYMNT 5681		1/21/2016	PER24A	00	40.00	40.00	32.07-	7.93-
PAYMNT 5681		12/16/2015	PER24A	00	40.00	40.00	31.93-	8.07-
PAYMNT 5678		11/19/2015	PER24A	00	81.00	81.00	63.34-	16.66-

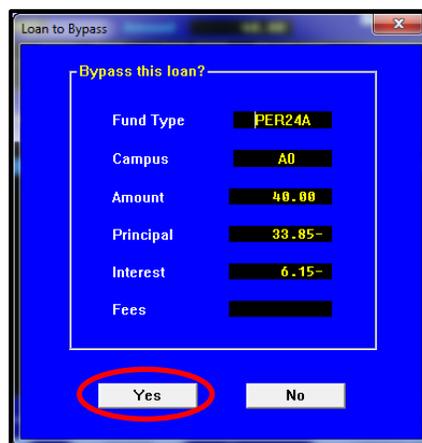
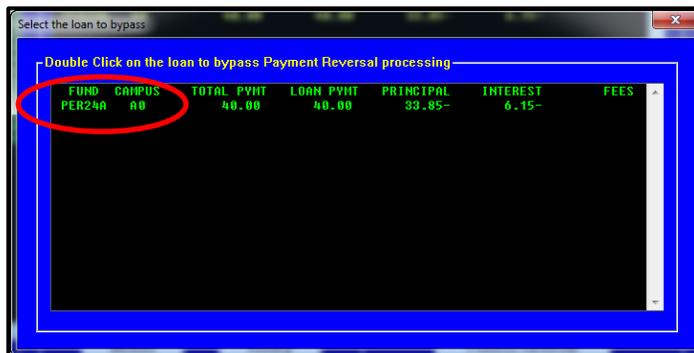
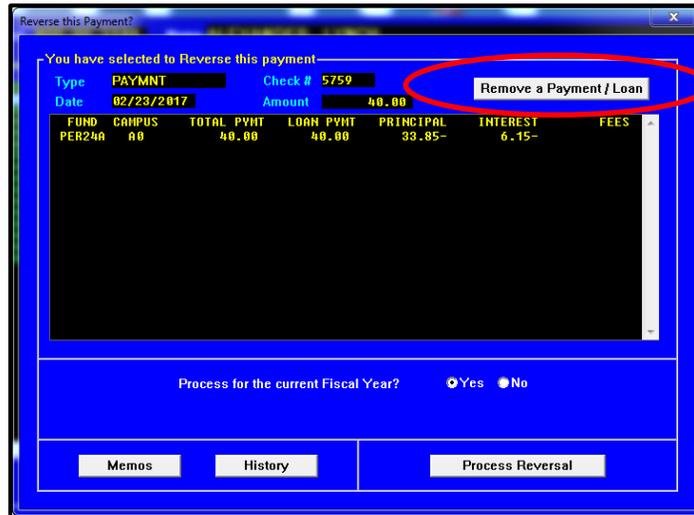
Memos History Next Previous

Borrower's Name

Total and Permanent Disability

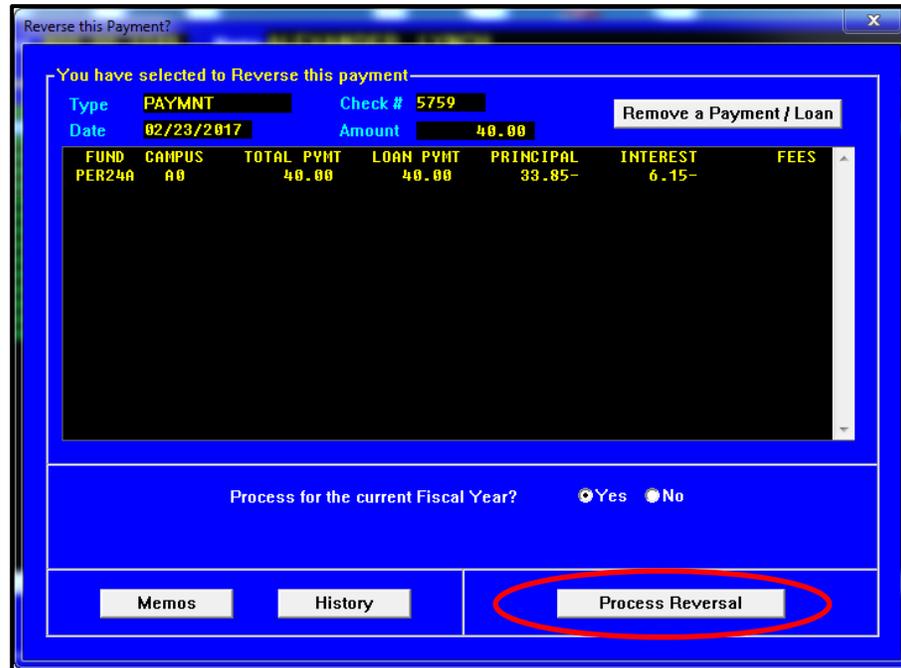
Step 3:

The **Reverse this Payment?** window appears. Verify that the correct payment will be reversed. If there is a loan on the screen that should NOT have the payment reversed on it, click the **Remove a Payment/Loan** button. Double-click the loan that should be excluded and then click the **Yes** button.

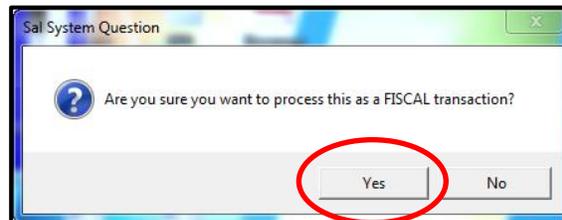


Total and Permanent Disability

Step 4: Click the **Process Reversal** button.



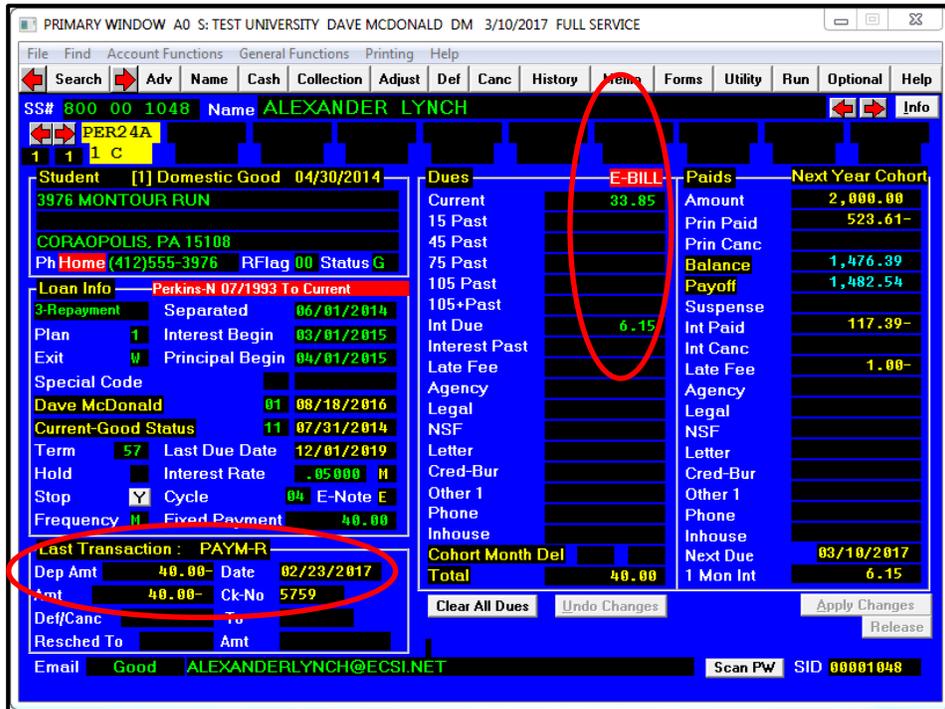
Step 5: A Sal System Question appears asking “**Are you sure you want to process this as a FISCAL transaction?**”. Click **Yes** to process the transaction as a part of this year’s fiscal activity. Click **No** if the payment was returned to the borrower as a part of a prior year’s filed FISAP.



Total and Permanent Disability

Step 6:

The Primary Window appears showing the payment as being reversed and the dues have been placed back into the dues column. **The Last Transaction** box also indicated the processed payment reversal.



Once each payment is reversed from SAL, the user can proceed with processing the Disability Cancellation to the borrower's loan. After the Disability Cancellation is processed, payments can be posted back onto the borrower's loan to create a credit balance. Clients can then refund the credit balance back to the borrower.